



EnviroMission Limited

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10 November, 2010

ASX Compliances Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth, WA. 6000

By email

Dear Sebastian (Mr S Bednarczyk Adviser, Issuers, Perth),

Thank you for providing EnviroMission with the opportunity to provide clarification and respond to questions asked by you by email on Tuesday 9 November, 2010.

EnviroMission responses are detailed below:

1. EnviroMission has executed a Term Sheet for a "Hybrid" Debt Equity Facility, has completed all necessary due diligence and is currently working through legal documentation to complete the transaction. (As per our Appendix 4C released to the Market October 29).

The note below is a "snapshot" from the released Appendix 4C:

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	250,000	100,000
3.2 Credit standby arrangements	Nil	Nil

- 1 EnviroMission has a \$250,000 loan facility from an "unrelated" shareholder.
- 2 EnviroMission has agreed terms with an investment group based in New York for the provision of a substantial Hybrid debt/equity facility. Due diligence has been successfully completed by the investor and all loan documentation is currently being finalised by the Company's legal advisors. Execution of the documents is expected in early November 2010.

Funds under this facility will enable EnviroMission to meet all future commitments.

2. EnviroMission Limited is the developer of pre commercialised Solar Tower technology and will continue to incur expenses without income for the period preceding commercialisation. Negative cash flows will continue to be met by equity placements and also under the terms of the "Hybrid" facility.
EnviroMission is a registered Research and Development company and qualifies for R&D Tax concessions from the Australian Federal Government.
3. EnviroMission, as previously stated is the developer of pre commercialised Solar Tower technology and does not, at this stage generate revenue. Expenses are in line with budget.
4. As per point 3
5. Enviromission, as mentioned in point 1. is in the process of completing legal documentation regarding a "Hybrid" Debt Equity Facility, that when executed, has the capacity to provide the necessary working capital for development of the first Solar Tower, to be built in Arizona, through to the financial close of project finance.

Although Options issued by the company and due to expire February 1, 2011 are currently "out of the money", preliminary discussions are underway with a number of "accredited investor" holders who have signalled an interest in exercising their option holdings.

6. EnviroMission is in full compliance with the listing rules and with reference to Listing Rule 3.1 takes its obligations of Continuous Disclosure seriously and meets those obligations in a timely manner.
7. EnviroMission has at all times met its obligations in a timely manner, carries no formal borrowings (other than disclosed in the Appendix 4C "snapshot" above), and will continue to meet its obligations.
EnviroMission is taking steps to revalue IP including certain licenses that it owns to develop Solar Tower power plants. These revaluations are being conducted in light of the recently achieved milestone events in the United States, i.e. "**Enviromission Power Purchase Agreement Approved By Southern California Public Power Authority**" released to the market on October 26,2010; and the appointment of Arup released to the market on November 8, 2010; **Arup Engineering Services Engaged By EnviroMission**. The revaluation complying with "Accounting Standards" is being conducted by an independent qualified third party.

If you require any further information please do not hesitate to contact me.

Yours Faithfully,



Roger Davey
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Chief Executive Officer
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9 November 2010

Mr Andrew Draffin
Company Secretary
EnviroMission Limited
3 – 5 Raglan Street
SOUTH MELBOURNE VIC 3205

By email: dwa@draffinwalker.com.au

Dear Andrew

EnviroMission Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2010, released to ASX Limited ("ASX") on 29 October 2010 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Net negative operating cash flows for the quarter of \$142,000.
3. Cash at end of quarter of \$14,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

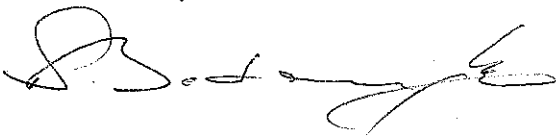
This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than half an hour before the commencement of trading (6:30 am WST) on Thursday, 11 November 2010**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0000.

Yours sincerely,



Sebastian Bednarczyk
Adviser, Issuers (Perth)